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INFO WHA CENTRAL AMERICAN COLLECTIVE
RUEATRS/DEPT OF TREASURY WASHINGTON DC

UNCLAS MANAGUA 001166

SENSITIVE
SIPDIS
STATE FOR WHA/CEN, EB/IFD/OIA, AND L/CID
STATE ALSO FOR WHA/EPSC
STATE PASS TO USTR
TREASURY FOR INL AND OWH

E.O. 12958: N/A
TAGS: [EINV](#) [ECON](#) [KIDE](#) [NU](#)
SUBJECT: NICARAGUA: GON PROMISES BETTER PROGRESS ON CLAIMS UNDER GOVERNMENT CONTROL
REF: MANAGUA 1090; 02 MANAGUA 877; MANAGUA 953; MANAGUA 643 08 MANAGUA 1546; MANAGUA 1052

SUMMARY

[¶1.](#) (SBU) During the October Property Working Group Meeting on November 5, Government of Nicaragua (GON) officials promised better progress on

PROMISES TO ADVANCE GOV'T-CONTROLLED CLAIMS

[¶2.](#) (SBU) On November 5, Econoff held the October monthly Property Working Group meeting with Ruth Zapata, Head of the Office of Assessment and

CLEAR EXPLANATION OF SETTLEMENT OFFERS

[¶3.](#) (SBU) Econoff urged GON officials to provide clear, detailed explanations of settlement offers to claimants who question the appraisal process
DISMISSING CLAIMS FOR ADMINISTRATIVE REASONS

[¶4.](#) (SBU) CNRC President Garcia pressed Econoff to remove claims from the Property Office database because they either lack proof of ownership and/or confiscation, or those cases were never filed with the CNRC (Ref C). Econoff said that claimants were reviewing their files to find documents that demonstrated the legitimacy of their claims. He noted that on October 27 the Ambassador wrote to Attorney General Estrada to provide him with information on the Property Office's efforts to contact claimants. He asked GON officials to provide more time as claimants continue searching for their documents.

GON TO ADVANCE CLAIMS DESPITE BUDGET WOES

[¶5.](#) (SBU) Zapata told Econoff that the GON remains committed to resolving "legitimate" U.S. citizen property claims despite the Nicaraguan government's budget woes (Ref D). She complained that compensating claimants is a financial burden for the government and takes away funding for projects that would help Nicaragua's socioeconomic development.

2009 BILATERAL REVIEW

[¶6.](#) (SBU) GON officials welcomed a second bilateral review in December or January 2010 (Ref E). They opined that the 2008 bilateral review was productive because it allowed the GON to explain Nicaraguan law and government policies, and promoted frank and honest discussion on issues of concern to both sides. Zuniga cautioned that Attorney General Hernan Estrada had already planned to travel to Washington the week of December 14 to attend previously scheduled meetings and he would be unable to host the consultations in Managua on December 16-17. She asserted that Estrada will participate in the bilateral review depending on his schedule. Econoff reminded officials that the bilateral review is one of the benchmarks that the USG evaluates when determining whether to grant Nicaragua a Section 527 waiver. [Note: On November 10, Attorney General Estrada told the Ambassador that he will host the bilateral review on February 24-25, 2010. End Note]

COMMENT

[¶7.](#) (SBU) During the Working Group meeting, GON officials mentioned repeatedly that they were making every effort to resolve U.S. citizen claims. We sense that they are under pressure from Attorney General Estrada to resolve claims, especially those related to Section 527 benchmarks, before his trip to Washington in December. During this visit, we believe that Estrada will seek to demonstrate to us that his government is making significant progress in settling claims. Instead of addressing issues of concern for U.S. claimants (Ref F), he will want to discuss only his agenda, such as seeking the creation of a bilateral commission to review pending U.S. citizen claims and determine final compensation for them as a way to conclude Nicaragua's Section 527 obligation.
CALLAHAN